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C O N F I D E N T I A L SECTION 01 OF 02 HARARE 000779

SIPDIS

STATE FOR AF/S, DRL
NSC FOR SENIOR AFRICA DIRECTOR JFRAZER
LONDON FOR C. GURNEY
PARIS FOR C. NEARY
NAIROBI FOR T. PFLAUMER

E.O. 12958: DECL: 04/21/2013

TAGS: [ECON](#) [ELAB](#) [PGOV](#) [ZI](#)

SUBJECT: FUEL PRICE INCREASE TRIGGERS ZCTU CALL FOR MASS ACTION

REF: A. A) HARARE 752

[1](#)B. B) HARARE 550

Classified By: Laboff KRBel for reasons 1.5 (b) and (d).

[1](#)1. (C) Summary. After the GOZ unilaterally authorized a 300% increase in gasoline prices outside the Tripartite Negotiating Forum (TNF) framework (ref a), the Zimbabwe Congress of Trade Unions (ZCTU) has retaliated by calling for a three-day mass stayaway and announcing its immediate withdrawal from the TNF process (ref b). Despite ZCTU claims that it is coordinating efforts with other segments of civil society, the opposition party Movement for Democratic Change (MDC) reports that it is not playing an active role. Initial assessments indicate that the level of traffic around town is extremely low, with very few commuter omnibuses plying the usual routes; banks are closed throughout Harare, and up to 90% of Harare businesses are closes in industrial zones. Ironically, the GOZ's incremental efforts to inch the economy toward a sustainable position are likely to push labor more firmly into open cooperation with the opposition. End summary.

Labor's Response to Fuel Increases

[1](#)2. (SBU) The ZCTU called a General Council meeting on April 16 to consider its reactions to the hefty increase in fuel prices, which still remain heavily subsidized. Some transit operators responded to the price increase by increasing the fare for a one-way trip into Harare to Zim \$500 (US \$.37), despite GOZ regulations fixing the price at around Zim \$200. Even though the fuel price increase is one of the few positive economic moves initiated by the GOZ, the economic reality -- wherein many workers earn around \$25,000 per month, yet transport costs now total \$5,000 per week -- is unsustainable for the majority. The ZCTU General Council demanded that the GOZ immediately rescind the price increase, failing which they would call for unspecified action. Predictably, the GOZ ignored the call, and ZCTU called for a three-day stayaway beginning April 23.

[1](#)3. (SBU) Initial assessments indicate that many are heeding the call. Street traffic is considerably lower volume, and the level of people on the streets is similar to that during the March MDC stayaway. Most banks are closed throughout Harare, although some shops and grocery stores are still open. Between 70% and 90% of businesses are shut down in Harare's industrial zones. The majority of businesses still open seem to be informal traders and smaller, owner-operator type businesses, with the exception of three or four notable giants -- including Coca-Cola, Chibuku Breweries, and several export-oriented businesses. If the most recent stayaway is any indication, participation could build over the next two days to the point that all businesses are brought to a virtual standstill.

[1](#)4. (SBU) Contacts within labor report that the ZCTU is coordinating this stayaway with other groups within civil society. Although some labor leaders would rather have waited a few weeks to call for mass action, others -- whose constituents demanded immediate action to address the worsening transport crisis, as well as the GOZ's perceived perfidy in raising prices unilaterally -- carried the day. Labor leaders now hope to initiate protest action which can be continued, in turn, by other groups opposed to the Zanu-PF leadership during the following weeks. Labor leaders have no illusions about the GOZ's likely response to this call, and are prepared to be arrested. Several leaders reportedly joked, with gallows humor, that given the notorious prison conditions under which opposition leaders are commonly held, they deliberately wore suits (for the added warmth from the suit coats) to work. Their main request, voiced through the Solidarity Center rep, is that the international community continue to focus attention on their plight should the expected brutal retaliation materialize.

MDC Supportive, But Not Involved In Organizing

5.(C) The MDC has publicly offered moral support to ZCTU for the stayaway, and according to Gandhi Mudzingwa, MDC special assistant to the President, the MDC has also offered the assistance of its structures to help mobilize people. The ZCTU has, however, not requested any assistance. Mudzingwa's thought was that with the lead time ZCTU has given itself, they have not done sufficient organizing to ensure the success of this stayaway; leaflets have not been printed, other potential partner organizations have not been roped in firmly. If it succeeds, it will be due to people's frustration rather than ZCTU planning. Also, if it succeeds it will help gel momentum for the MDC's own mass action planned for about May 13, and perhaps open a key second front in the fight against ZANU-PF. If it fails, it will not hurt the MDC's plans because there is widespread belief that regime change will not occur through a stayaway alone, but rather through more direct public action. (Note: The MDC originally planned for their next mass action to start on May 6, but Mudzingwa said on April 22 that another week was likely going to be necessary to organize. End Note.)

COMMENT

16. (C) This development tallies with previous indications that the ZCTU was "going through the motions" with the TNF until the GOZ committed some error so gross that the labor constituency (up to one-third of which comprises Zanu-PF supporters) demanded mass action. Although the TNF process has dragged laboriously on, a signed agreement endorsing the basic goals of the process -- increasing the minimum wage, establishing a price control board to review price increases in relation to inputs, and committing the GOZ to various measurable goals such as reducing inflation -- never quite materialized. Ironically, the GOZ is countering the ZCTU call for action with a front-page Herald article claiming that the ZCTU actually "played a full part in the (TNF) talks that resulted in the new fuel prices..." This claim is disingenuous at best, considering that no TNF agreement has been finalized and no price control board has yet been established. The conundrum is that the reduction of the fuel subsidy and subsequent price increase, in itself, is the type of economic tough-love necessary to get the country back on a realistic and stable footing. The two mutually exclusive goals -- labor's attempts to shield workers from their own poverty, and the GOZ's attempts to inch the country toward economic viability -- seem destined to push labor into the camp of those alienated by the GOZ's economic and political mismanagement.

17. (C) Comment continued: Although ZCTU contacts have said this action is being coordinated with other civil society groups, it appears the MDC has not been asked to play a participatory role. Even if the level of groundwork the ZCTU has done is unclear, many people are away from work this week due to the Easter holiday, and building frustration with fuel and other shortages could combine to make a successful work stoppage. If some level of good participation is achieved, we would expect the GOZ to react with a heavy hand toward anyone perceived to be involved in planning this effort and will monitor closely who takes the heat, and any effect this stayaway has on the MDC's plans. The Embassy's liberal leave policy will be in effect for the relevant days. End Comment.
SULLIVAN